



Testimony of Eric W. Gjede
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Before the Committee on Labor and Public Employees
January 31, 2017

**Testifying on HB 5210
AN ACT CONCERNING VARIOUS PAY EQUITY AND FAIRNESS MATTERS**

Good afternoon Senator Gomes, Senator Miner, Representative Porter, Representative Bocchino and members of the Labor and Public Employees Committee. My name is Eric Gjede and I am counsel at the Connecticut Business and Industry Association (CBIA), which represents thousands of large and small companies throughout the state of Connecticut.

State and federal laws make wage disparities based on gender illegal. HB 5210 appears to target conditions that could inadvertently perpetuate the gender gap. We thank Representative Derek Slap for reaching out to us to discuss it, and the committee for giving us the opportunity to convey our members' point of view.

Although it is difficult to make substantive comments on a concept bill, it appears that the proposals outlined in HB 5210 may make the hiring process more complicated for employers.

Hiring new employees is one of the most costly and difficult duties of any company—particularly small businesses. Our members tell us that more information is typically better when matching employees with new jobs.

Salary history is important to employers because it provides additional information not included in an applicant's resume – in particular, the candidate's perceived value of the work he or she provided to prior employers.

When a business wants to fill a job opening, it usually has a salary range in mind that is narrowed later in the hiring process.

Without an applicant's salary history, an employer will be less able to determine whether that candidate is compatible for the job. Businesses may also end up offering salaries at the low end of the pay scale because they were not allowed to ask about a candidate's salary history. That could end up hurting skilled applicants who would otherwise use their history to argue for a higher salary.

Further, as written, these new requirements could be problematic to providers of temporary workers and to placement agencies that help employers fill open job positions. It is in the interest of temporary employment providers to ensure their employees find work and be paid in accordance with their level of skill and productivity. Yet if the provider cannot ask the temporary employee about their salary history, it would be more difficult to place the employee into a position that pays an acceptable wage. This bill could limit the ability of these agencies to operate their businesses.

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HB 5210 appears to emulate a first-in-the-nation law enacted by the Massachusetts legislature last year. That law will take effect next year on January 1, 2018, and CBIA feels it would be prudent for lawmakers to gauge the impact this legislation has in Massachusetts—particularly on small businesses—before enacting it here.

Connecticut, whether deservedly or not, has a reputation as a costly place to do business. We are just beginning to make strides to recover from the 2008 recession—having not yet gained back all of the jobs that were lost in the recession. All in, Connecticut has gained back 70% of the 119,100 jobs lost during the 2008-2010 recession. The percentage of private sector jobs is better, at 85%, but far behind Massachusetts' 313% job recovery rate.

If we are looking to level the playing field with Massachusetts, let's make sure we don't further tip the job imbalance in the wrong direction. As you consider this and other legislation before the committee, we urge you to focus on making Connecticut a stronger place to grow the earning power of our entire workforce by growing the economy and sustaining more jobs.

At its best, the legislative process is an evolution, and public hearings are an important opportunity to help shape our laws. We look forward to continuing our discussions with you and Representative Slap, and learning from our counterparts in Massachusetts to further inform and help craft good public policy.

Thank you.